

**Access Billing**

ILEC's / CLEC's
Meet Point Billing
Switched Access
Special Access
Other Billing Arrangements

Cost Consulting

Separations
Allocations
Accounting
Depreciation
Special Studies

Management Consulting

Regulatory Issues
Earnings Analysis
Tax Planning
Other Customized Services

October 10, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket Nos. 10-90 and 11-42
2013 FCC Form 481 Annual Report
Study Area Code: 150111

Dear Ms. Dortch:

On behalf of Oneida County Rural Telephone Company, ACM, Inc., as the company's authorized representative, files the enclosed FCC Form 481 Carrier Annual Reporting Data Collection Form, as required by 47 C.F.R. § 54.313 and 54.422.

The FCC Form 481 has been submitted to USAC via its e-file system and copies of that submission are being provided to the FCC and state commission.

Please contact me at (518) 374-2552 if you have any questions regarding this filing.

Sincerely,

Jerry Legg
Senior Consultant
ACM, Inc.

jerryl@acm-costconsulting.com

120 Erie Boulevard, Schenectady, NY 12305

Access Billing: Phone (518) 374-5720 / Facsimile (518) 374-7511 / www.acm-accessbilling.com
Consulting: Phone (518) 374-2552 / Facsimile (518) 374-7511 / www.acm-costconsulting.com

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	150111
<015> Study Area Name	ONEIDA COUNTY RURAL
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Jerry Legg
<035> Contact Telephone Number: Number of the person identified in data line <030>	518-374-2552
<039> Contact Email Address: Email of the person identified in data line <030>	jerry1@acm-costconsulting.com

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
(check box when complete)				
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<440> Fixed				
<450> Mobile				
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input type="text" value="150111ny510"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input type="text" value="150111ny610"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="text"/>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150111
<015>	Study Area Name	ONEIDA COUNTY RURAL
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

 Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How (USF) was used to improve service quality
 <116> How (USF) was used to improve service coverage
 <117> How (USF) was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

<010>	Study Area Code	150111
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-- See attached worksheet --

<010>	Study Area Code	150111
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryll@acm-costconsulting.com

1/1/2013	
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-- See attached worksheet	
--	

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

FCC Form 481
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July 2013

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com
<810>	Reporting Carrier	Oneida County Rural Telephone Company
<811>	Holding Company	
<812>	Operating Company	Oneida County Rural Telephone Company

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

Please check this box to confirm no terrestrial backhaul
 <1120> options exist within the supported area pursuant to § 54.313(G)
 ☐

Please check this box to confirm the reporting carrier offers
 <1130> broadband service of at least 1 Mbps downstream and 256 kbps
 upstream within the supported area pursuant to § 54.313(G)
 ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 150111ny1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP _____

“Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

☐
☐
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

☐
☐
☐
☐

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150111
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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010)	Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3012)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}		<input type="checkbox"/> (Yes/No)
(3014)	If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input type="checkbox"/>
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3018)	If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input checked="" type="checkbox"/>
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input checked="" type="checkbox"/>
(3020)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	150111ny3026

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	150111
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<035> Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039> Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Jerry Legg</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Jerry Legg
Name of Reporting Carrier:	ONEIDA COUNTY RURAL
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Officer:	Thomas Ellis
Title or position of Authorized Officer:	Executive Vice President
Telephone number of Authorized Officer:	3156242000
Study Area Code of Reporting Carrier:	150111 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	ONEIDA COUNTY RURAL
Name of Authorized Agent or Employee of Agent:	Jerry Legg
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/10/2013
Printed name of Authorized Agent or Employee of Agent:	Jerry Legg
Title or position of Authorized Agent or Employee of Agent:	Senior Consultant
Telephone number of Authorized Agent or Employee of Agent:	518-374-2552
Study Area Code of Reporting Carrier:	150111 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

July 2013

Service Quality Standards & Consumer Protection Rules Compliance
FCC Form 481, Line 510

The company complies with applicable service quality standards and consumer protections by (1) maintaining and submitting monthly trouble report data to the New York State Public Service Commission (“NYPSC”); (2) reporting major service interruptions to the NYPSC in a manner consistent with its guidelines; (3) filing local service tariffs with the NYPSC and making rate and service information available to the public upon request; (4) clearly listing all charges and credits on customers’ bills; (5) providing full and prompt investigation of, and response to, customer complaints; (6) providing access to enhanced 911 emergency report centers; (7) participating in statewide system for the hearing impaired; (8) complying with federal CPNI rules and other applicable consumer privacy protection requirements, including training of employees that have access to CPNI on the rules and procedures for protecting account information and authenticating callers; and (9) implementing procedures that are consistent with the FTC’s guidance on measures to detect/prevent identity theft (Red Flag).

The company received a commendation from the NYPSC in recognition of its high quality of telephone service in 2012.

Oneida County Rural Telephone Company

Functionality in Emergency Situations FCC Form 481, Line 610

Our Central office has a full two strings of batteries that will provide between 6-8 hours of continuous power in the event of a power outage. The rectifiers that charge these batteries are on a stand by generator that automatically turns on in the event of a power outage as well.

All of our trunking into the Central office is provided via several Sonet rings that automatically route traffic across the best path possible in the event of a fiber outage. We also have diverse trunking into multiple Central Offices to the PSTN.

We have sized our trunk groups in our Central Office switch to give us extra capabilities in the event of an influx of calls.

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
Second Revised Page 3
Superseding First Revised Page 3

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

1. Lifeline Telephone Service Options

a. Description

1. Lifeline Discounted Service

This service provides a flat rate federal discount of \$9.25, consisting of a \$6.50 reduction of the Federal Subscriber Line Charge and a \$2.75 reduction in the monthly rate for local exchange telephone service for residential customers. Qualified customers may choose any type or grade of local telephone service, including bundled services that are normally offered by the Company.

+
(C)

+

1 A. Additional Lifeline Discount

This service provides the discount as outlined in A.1.a.1 above and may provide an additional discount equal to the serving company's increase in residential basic local exchange service, as authorized by the NYS Department of Public Service in Case No. 07-C-0349, released March 4, 2008, whereby the NY Commission authorized certain companies to increase basic local service rates up to \$2.00 per year for 2 years. The discount can be found on Addendum 1 of the individual Company tariff for those companies offering the Additional Lifeline Discount.

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 3.1
Superseding Original Page 3.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

+

(D)

+

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4
Superseding Original Page 4

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

1. Lifeline Telephone Service Options (cont'd)

b. General

Qualified customers may choose to apply the federal Lifeline credit to any of the company's local service offerings, including any local bundled service offering, basic local service, or message rate service. Message rate Lifeline service is available only where central office facilities permit.

For connection of new service, service connection charges apply unless the customer qualifies for connection assistance under the Tribal Lands Link Up program.

+

Service connection charges do not apply to change existing service from:

(C)

1. Message or flat rate services to Lifeline service.

2. Lifeline service to non-Lifeline services.

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Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4.1
Superseding Original Page 4.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations

- a. These services are restricted to low income residential customers. To qualify for Lifeline service a customer must certify and provide documentation as income eligible. For a consumer to be eligible under the income requirements, the consumer's household income as defined in § 54.400(f) of the FCC Rules must be at or below 135% of the Federal Poverty Guidelines for a household of that size or a recipient of benefits from any one of the following Entitlement Programs: (C)
1. Medicaid; (C)
 2. Supplemental Nutrition Assistance Program (SNAP) F/K/A Food stamps;
 3. Supplemental Security Income;
 4. Federal Public Housing Assistance (Section 8);
 5. Low-Income Home Energy Assistance Program (LIHEAP);
 6. National School Lunch Program's free lunch program;
 7. Temporary Assistance for Needy Families/SafetyNet; (C)
 8. Veterans Disability Pension
 9. Veterans Surviving Spouse Pension

*Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC
Docket No. 96-45, WC Docket No. 12-23*

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Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany 12211

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 5
Superseding Original Page 5

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations (cont'd)

b. The Lifeline discount is effective upon receipt of a completed form of eligibility. If the form is not returned, no further action is taken by the Company to establish eligibility.

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c. The Company, in coordination with appropriate agencies and the Lifeline Customer, will require Lifeline customers to be re-certified, on an annual basis. Lifeline customers will need to certify that they continue to be eligible to receive these Lifeline benefits and that they are not receiving benefits from another company. If, a customer is identified as being ineligible, the customer will be notified that unless the information is shown to be in error, the Lifeline discount will be discontinued. The customer will be billed for discounts received for the time that they were proven to be ineligible for the service.

(C)

3. Locality Charge Waiver

Customers receiving Lifeline Telephone Service will have applicable locality charges waived each month while they are receiving the Lifeline Assistance.

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4. Voluntary Toll Blocking (Restriction)

Customers receiving Lifeline service can voluntarily request and receive toll blocking (call restriction), third number billing/collect call restriction without a monthly charge. There will be no record order charge to add these types of restrictions (blocking).

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

Company Name: Oneida County Rural Telephone Company
 Calendar Year: 2012

Lifeline Services Offered by Telephone Company

Service Name	Non-Discounted Rate	Total Minutes Provided	Description of Additional Toll Charges (if any)	Lifeline Rate
Residential Access Line Base Rate	\$30.00	Unlimited Local	The customer would incur toll charges from their toll provider	\$9.04
Bundles:				
Value Plan	\$35.00	0	The customer would incur toll charges from their toll provider	\$14.04
Basic Plan	\$43.10	1,500	Toll charges would apply if the customer went over 1,000 intralata minutes, 250 interlata minutes, or 250 interstate minutes	\$22.14
Premium Calling Plan	\$51.10	Unlimited except international		\$30.14
Enhanced Value Plan	\$68.00	0	The customer would incur toll charges from their toll provider	\$47.04
Standard Plan	\$82.10	Unlimited intralata; 250 interlata; 250 interstate	Toll charges would apply if the customer went over 250 interlata minutes or 250 interstate minutes	\$61.14
Unlimited Plan	\$86.10	Unlimited except international		\$65.14
8.0 Enhanced Value Plan	\$82.00	0	The customer would incur toll charges from their toll provider	\$61.04
8.0 Standard Plan	\$96.10	Unlimited intralata; 250 interlata; 250 interstate	Toll charges would apply if the customer went over 250 interlata minutes or 250 interstate minutes	\$75.14
8.0 Unlimited Plan	\$100.10	Unlimited except international		\$79.14

BUSH & GERMAIN, PC
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November 16, 2012

To The Board of Directors
Oneida County Rural Telephone Company
Main Street
Holland Patent, New York 13354

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated balance sheets of Oneida County Rural Telephone Company (a New York Corporation) as of June 30, 2012 and 2011, and the related consolidated statements of income, stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Oneida County Rural Telephone Company and subsidiaries as of June 30, 2012 and 2011, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 16, 2012, on our consideration of Oneida County Rural Telephone Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Bush & Germain PC

ONEIDA COUNTY RURAL TELEPHONE COMPANY

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 421,160	\$ 931,585
Accounts receivable	135,986	304,869
Note receivable - affiliated company	52,238	-
Marketable securities	4,372,254	4,116,052
Refundable taxes	1,093	-
Due from affiliated companies	1,515,040	1,259,096
Materials and supplies	835,316	198,520
Prepaid expenses	70,967	91,942
Deferred federal income taxes	-	16,023
Cash surrender value - current	<u>600,630</u>	<u>-</u>
	<u>8,004,684</u>	<u>6,918,087</u>
NONCURRENT ASSETS:		
Cash surrender value - life insurance	2,714,427	3,218,787
Investments	134,691	1,384,195
Note receivable - affiliated company	<u>1,385,921</u>	<u>-</u>
	<u>4,235,039</u>	<u>4,602,982</u>
PROPERTY, PLANT AND EQUIPMENT-AT COST:		
Plant in service	13,997,615	13,791,313
Plant under construction	<u>5,781</u>	<u>3,139</u>
	14,003,396	13,794,452
Less: Depreciation reserve	<u>9,969,615</u>	<u>9,525,731</u>
	<u>4,033,781</u>	<u>4,268,721</u>
 TOTAL ASSETS	 <u>\$16,273,504</u>	 <u>\$15,789,790</u>

	<u>2012</u>	<u>2011</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 51,003	\$ 63,836
Accounts payable	368,314	232,430
Note payable	2,650,783	2,650,082
Pension payable	226,135	180,000
Customer deposits and advance billings	84,235	93,508
Accrued interest	-	7,287
Deferred compensation	72,000	53,000
Deferred federal income taxes	100,201	-
Other current liabilities	96,258	94,297
	<u>3,648,929</u>	<u>3,374,440</u>
LONG-TERM DEBT	<u>719,369</u>	<u>770,372</u>
DEFERRED CREDITS:		
Pension obligations	2,067,754	1,375,778
Deferred federal income taxes	331,751	325,942
Regulatory liabilities	251,277	281,924
Deferred compensation	-	72,000
Total Deferred Credits	<u>2,650,782</u>	<u>2,055,644</u>
STOCKHOLDERS' EQUITY:		
Preferred stock - 6% cumulative; \$50 par value; Authorized 4,000 shares; Issued and outstanding 597 and 663, respectively	29,850	33,150
Common stock - no par value; Authorized 3,000 shares; Issued 1,702 shares and outstanding 898.50 shares	85,100	85,100
Accumulated other comprehensive income	(1,335,629)	(1,037,864)
Retained earnings	<u>11,807,178</u>	<u>11,841,023</u>
	10,586,499	10,921,409
Less: Treasury stock at cost, 803.50 shares	<u>(1,332,075)</u>	<u>(1,332,075)</u>
	<u>9,254,424</u>	<u>9,589,334</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$16,273,504</u>	<u>\$15,789,790</u>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF INCOMEFOR THE YEARS ENDED JUNE 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Local network service	\$ 711,517	\$ 805,499
Network access and long distance network service	1,689,689	1,708,405
Construction revenue	51,561	1,109,161
Miscellaneous	<u>111,954</u>	<u>116,245</u>
Total operating revenues	<u>2,564,721</u>	<u>3,739,310</u>
OPERATING EXPENSES:		
Plant specific	557,607	517,334
Plant nonspecific:		
Depreciation and amortization	560,110	566,208
Other	260,515	261,790
Customer operations	218,271	225,972
Corporate operations	755,760	789,357
Operating taxes	191,023	216,417
Construction expense	<u>51,762</u>	<u>863,551</u>
Total operating expenses	<u>2,595,048</u>	<u>3,440,629</u>
Net operating income (loss)	(30,327)	298,681
OTHER INCOME AND (EXPENSE) - NET	<u>272,190</u>	<u>119,876</u>
Income (Loss) before provision for income taxes	<u>241,863</u>	<u>418,557</u>
FEDERAL INCOME TAX EXPENSE (BENEFIT)	<u>272,021</u>	<u>178,759</u>
Net Income (Loss)	<u>\$ (30,158)</u>	<u>\$ 239,798</u>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWSFOR THE YEARS ENDED JUNE 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (30,158)	\$ 239,798
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	560,110	566,208
Deferred income taxes	275,427	118,874
Cash surrender value - officer's life insurance	(40,686)	(30,762)
(Gain) Loss on sales of stock and investments	(106,509)	14,387
(Income) loss from affiliated companies	(17,342)	(109,673)
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable	168,883	28,425
(Increase) Decrease in refundable taxes	(1,093)	223,131
(Increase) Decrease in prepaid expenses	20,975	1,335
(Increase) Decrease in interest receivable	(68,159)	-
Increase (Decrease) in accounts payable	135,884	(33,031)
Increase (Decrease) in pension payable	46,135	(20,180)
Increase (Decrease) in customer deposits and advance billings	(9,273)	(9,183)
Increase (Decrease) in accrued expenses	(5,326)	(17,431)
Increase (Decrease) in deferred compensation	(53,000)	(52,000)
Increase (Decrease) in other liabilities	105,356	217,402
Increase (Decrease) in regulatory liabilities	(30,647)	(45,631)
Net cash provided by (used in) operating activities	<u>950,577</u>	<u>1,091,669</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(325,170)	(55,661)
(Increase) Decrease in materials and supplies	(636,796)	(77,513)
Purchase of marketable securities	(641,418)	(1,636,612)
Proceeds from sales of marketable securities	517,835	1,446,342
Premiums paid for life insurance	(55,584)	(168,326)
Distributions from partnerships	6,197	-
Advances to affiliated companies	(255,944)	(338,930)
Net cash provided by (used in) investing activities	<u>(1,390,880)</u>	<u>(830,700)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of preferred stock	(3,300)	(200)
Repayments of long-term debt	(63,836)	(75,929)
Dividends	(3,687)	(3,792)
Proceeds from notes payable	250,000	-
Repayment of notes payable	(249,299)	(249,918)
Net cash (used in) financing activities	<u>(70,122)</u>	<u>(329,839)</u>
Increase (Decrease) in cash and cash equivalents	(510,425)	(68,870)
Cash and cash equivalents at beginning of year	<u>931,585</u>	<u>1,000,455</u>
Cash and cash equivalents at end of year	<u>\$ 421,160</u>	<u>\$ 931,585</u>

The accompanying notes are an integral part of the financial statements.